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Korea's Roh Sees Booming Economy, Links to East Bloc

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SEOUL, South Korea—President Roh Tae Woo's first major policy speech since he took office revealed a buoyant optimism about South Korea's economy and a desire to intensify its dialogue with the once-reviled communist world.

In an address to the opposition-dominated National Assembly, Mr. Roh also promised to take the lead in the drive toward democratization, in pursuing a fairer distribution of the national wealth and in efforts to reunite with North Korea.

But despite his conciliatory tone and offer of full partnership to the assembly, he drew stony silence from the opposition and only polite applause from his own party's lawmakers.

Opposition Wants Action

"The speech was very pretty," said Lee Sang-Soo, spokesman for the Party for Democracy in Korea, the main opposition group. "But the important thing is actions, not words. Our people want to see more actions on democratization."

There was undisguised disappointment that Mr. Roh's government released only 52 political prisoners Monday, Korea's Foundation Day. The four major parties had called for the release of many more of the 500 South Koreans acknowledged by the Supreme Court to be in jail for politically related offenses.

Mr. Roh made his remarks in a speech seeking approval of a government budget for next year of 19.37 trillion won (\$27.09 billion), up 11% from this year.

Strong Economic Growth

The president said South Korea's gross national product will more than double to \$250 billion by 1992 from \$118 billion last year, increasing per-capita GNP to \$6,000. This growth will be stimulated by a continued export boom, he said, with shipments abroad growing to \$90 billion in 1992 from \$47.3 billion last year.

Mr. Roh pledged "more effective measures" next year to check rising inflation, which is expected to reach 7% this year. He said those measures will include tighter control of money supply, better management of balance-of-payments surpluses, and a beefed-up price-stabilization policy that would limit inflation to 5%.

The president pledged to take actions to further liberalize imports for a more balanced trade with the U.S. and other countries. The country's current-account surplus, a source of friction with its trading partners, is expected to balloon to \$12 billion this year from \$9.78 billion last year.

But, while stressing the need for strengthened relations with the U.S., Japan and the European Community, which absorb 70% of South Korea's exports, he said his country also will try to expand trade and other links with the Soviet Union and other communist nations with which it has no diplomatic relations. He pledged to participate actively in the development of Siberia.

Mr. Roh said he is ready to go to Pyongyang to meet North Korean President Kim Il Sung, and to discuss "without any restriction... all pending issues raised by both sides." He also promised to unveil soon a "new unification formula."